

CONFIDENTIAL

20 November 1950

MEMORANDUM**CONFIDENTIAL**

TO : The Comptroller
FROM: Finance Division
SUBJ: Per Diem Policy

1. In the interest of uniformity and equity in the administration of CIA regulations governing per diem, the Finance Division, in March, 1949, proposed a procedure, including establishment of a graduated scale of per diem payments effecting new employees which was concurred in by the Office of Special Operations, Office of Policy Coordination, and Employees Division, and thereafter placed into effect. Under the conditions prevailing at the time, this procedure proved quite satisfactory; however, changing conditions, primarily "Pool" recruitment in substantial volume, has created new problems which need consideration in the light of present circumstances. We believe that the current problem involves only two basic issues. They are:

(a) The need for positive determination as to the eligibility or non-eligibility for per diem at the time an employment agreement is reached with the individual, prior to the commencement of travel or entrance upon duty. Under present conditions, we believe it would be desirable to establish documentary evidence of such determination for ~~every~~ new employee, either departmental, "Pool", or those assigned to specific field stations.

(b) A sound working procedure for the placing of individuals in categories to provide for most equitable treatment and to facilitate a determination described in (a) above.

2. With a view toward accomplishment of the above, the Finance Division has made a detailed survey of per diem payments and the circumstances under which paid. Based upon this survey, it appears that there is considerable misunderstanding and confusion or divergence of opinions among employees and officials who are in a position to make commitments with prospective or new employees or to recommend or approve travel orders and per diem. We believe that these misunderstandings wholly result from circumstances peculiar to the recruitment, training, and assignment of employees of this Agency. We further believe that means of corrective action, including adequate statistics, are now available. Some outstanding travel orders do not appear to be consistent in that per diem is authorized in one case and is not in a similar case. In these cases, the Finance Division has accepted the recommendation of the Employees Division with respect to non-payment of per diem. If amendments are proposed, a complete review of each case will be required. A memorandum regarding such cases is in our files.

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3. Principal causes of misunderstanding appear to be:

(a) It appears that qualifications and suitability of prospective operations and intelligence officers and others for a specific field assignment is most difficult to judge prior to close observance of the individual in training. This problem is increased by the inability to fully apprise the individual of the job which is to be expected of him prior to security clearance and entrance upon duty. As a result, a number of individuals hired for overseas duty are not dispatched in a short period of time (reasonable training time) and in some cases, are assigned to departmental jobs for extensive on-the-job training, or may be permanently assigned departmentally.

(b) Most overseas assignments require the establishment of "cover" on an individual case basis. In many cases there are delays beyond the control of the Agency, resulting in the payment of per diem over prolonged periods of time, during which the individual can not establish permanent or semi-permanent residence as would be expected in normal cases.

(c) The urgent need for additional employees for both departmental and foreign field positions has required recruitment on a "wholesale" basis. For example, all available qualified individuals in a graduating class may be recruited under circumstances which make it impossible to determine at the time which individuals will be assigned directly to foreign stations.

(d) It appears that some, but not all, officials responsible for the staffing of field stations intend, as a matter of policy, to require lengthy on-the-job training in Washington of all individuals hired for overseas stations. Thus, in some cases, the payment of per diem to individuals hired for specific field stations may not be warranted.

(e) It appears that there has been some confusion regarding the obligation of overseas positions for slotting or processing purposes only. The intent in such cases is not always clear. Obviously, no travel expenses or per diem should be authorized under these circumstances.

4. We have discussed the revision of per diem policies and procedures with members of the Audit Division, I & S Staff, OSO, OPC, and the Employees Division, and were recently authorized by the Chief, Special Support Staff, to draft a procedure with respect thereto for adoption and uniform application by all concerned. We are prepared to make recommendations in line with previous instructions; however, we are advised that the approval of travel orders and per diem may be transferred to the Transportation Branch, in which event, it would appear that further work in this connection should be coordinated with or referred to that branch. Regardless of the location of approval of travel orders

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and per diem, we believe that the results of our survey and consultation with interested officials, and experienced data gathered over the past several years will be useful. Accordingly, we wish to present the attached statement for consideration by appropriate officials.


Acting Chief, Finance Division

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